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## MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea  
Director  
Utilities Division

EA for SMO

Arizona Corporation Commission

DOCKETED

JUL 21 2014

DATE: July 18, 2014

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RE: IN THE MATTER OF THE APPLICATION OF LEXENT, INC. FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY. (DOCKET NO. T-20875A-14-0111)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Facilities-Based Local Exchange Services

Staff recommends cancellation of the CC&N.

SMO:LLM:tdp|ML

Originator: Lori L. Morrison

ORIGINAL

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SERVICE LIST FOR: LEXENT, INC.  
DOCKET NO. T-20875A-14-0111

Ms. Fernanda Hilb Manko  
Director, Regulatory Compliance and Legal Services, Lexent, Inc.  
Presidents Plaza Building One  
196 Van Buren Street, Suite 250  
Herndon, Virginia 20170

Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Janice M. Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief Administrative Law Judge, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

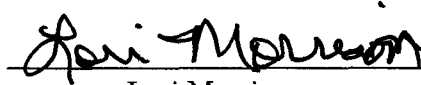
LEXENT, INC.  
DOCKET NO. T-20875A-14-0111

IN THE MATTER OF THE APPLICATION OF LEXENT, INC. FOR APPROVAL TO  
CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY

July 18, 2014

## STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Lexent, Inc., Docket No. T-20875A-14-0111, for approval to cancel its Certificate of Convenience and Necessity was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read "Lori Morrison", is written over a horizontal line.

Lori Morrison  
Utilities Consultant

## **INTRODUCTION**

On March 24, 2014, Lexent, Inc. ("Lexent" or "Company") submitted a letter requesting cancellation of its Certificate of Convenience and Necessity ("CC&N") to provide facilities-based local exchange telecommunications services within the State of Arizona.

## **BACKGROUND**

On June 1, 2005, in Decision No. 67883, the Commission granted CCG Communications, LLC a CC&N to provide facilities-based local exchange telecommunications services within the State of Arizona. CCG's most recent performance bond filing to comply with Decision No. 67883 was submitted on October 10, 2012. CCG's CC&N was transferred to Lexent, Inc. in Decision No. 73581 dated November 21, 2012.

## **STAFF'S ANALYSIS**

In its December 23, 2013 letter, Lexent stated it does not provide local exchange services nor does it have any local exchange customers in Arizona. Lexent indicated to Staff that it never provided local exchange services in Arizona. Given that Lexent has no customers in Arizona, there were no customers to notify of the CC&N cancellation, Lexent requests a waiver of the notice requirements in Arizona Administrative Code ("A.A.C.") R14-2-1107(A)(2). At Staff's request, Lexent submitted an affidavit attesting that it has no customers for intrastate telecommunications services in Arizona. Lexent has affirmed to Staff that it did not collect advances, deposits, and/or prepayments from customers in Arizona.

The Consumer Services Section of the Utilities Division reports that there have been no complaints, inquiries, or opinions against Lexent. According to the Corporations Division, Lexent is in good standing.

## **RECOMMENDATION**

Lexent Telecom, Inc. is not currently providing facilities-based local exchange telecommunications services to any customers in Arizona and it never collected deposits, advances or prepayments from Arizona customers. As such, Staff recommends approval of Lexent's request for a waiver of the requirement to publish notice contained in A.A.C. R14-2-1107(A)(2). Staff also recommends that Lexent's CC&N to provide facilities-based local exchange telecommunications services be cancelled. With the cancellation of Lexent's CC&N, the \$100,000 performance bond requirement is cancelled. Because CCG has been merged with and into Lexent and CCG's CC&N was transferred to Lexent, Staff further recommends that the \$100,000 performance bond on file with the Commission under CCG Communications, LLC's name be released and returned to the following name and address provided by Lexent:

Patricia A. Hopgood  
Assistant Vice President  
Marsh USA Inc.  
Surety Department  
99 High Street, Floor 13  
Boston, Massachusetts 02110-2320